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Economic Diversification Studies: A Tool for Change

Evaluation of the USDA Forest Service Diversification Study Grant Program

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Economic Diversification Studies: A Tool for Change

Evaluation of the USDA Forest Service Diversification Study Grant Program[1]

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Executive Summary

Between 1989 and 1992, the USDA Forest Service funded 49 studies, with approximately $2 million to 48 rural communities, to help them learn how to diversify their local/regional economic bases. In January of 1993, an evaluation of the Forest Service's Economic Diversification Studies Grant Program (EDSGP) was initiated.

Regional offices received 416 proposals; 159 were sent to the Washington Office for final evaluation and 49 were chosen for funding. The grants ranged from $16,000 to $65,000 per study. Proposals were evaluated on the basis of local economic conditions, the level of economic dependence on a resource, the impact of any local national forest, the amount of financial assistance requested, and regional priorities.

Most recipients of the grants were towns, not-for-profit agencies, State agencies, and universities. They studied different ways to diversify their local economies through the expansion of new and old businesses, tourism, recreation, timber, secondary wood processing, and nontimber forest products. Regional rural development coordinators provided information concerning administration of the grant. They communicated with their constituency via newsletters, organized group meetings, and through contacts with forest supervisors, Resource Conservation and Development (RC&D), and tribal nations. Funded studies were monitored through feedback on study objectives, financial status, current results, and future plans.

Several sources said that implementation of study results was barred by finances, technical assistance, politics, public support, leadership, and local government support. When implementation did take place, 1 to 2 years after the initial studies were completed, there were projects to create economic growth, marketing plans, further study, and infrastructure changes. Coordinators said that a key problem was difficulty in knowing how to use and interpret the available socioeconomic information.

This evaluation lists three types of recommendations:

- *Administrative recommendations* consisted of clerical changes in the format of the grant materials, setting more structured expectations, and ensuring easier continued evaluation and followup.
- *Recommendations from the regional rural development coordinators* consisted of the need for clear guidelines, creation of a study idea book to share experiences, faster approval and notification process, and more visits to field locations.
- *Recommendations for the Rural Community Assistance (RCA) Program:*
  - Determine the impact of the EDSGP at the community level.
  - Create an RCA evaluation and monitoring program at the national, regional, and community levels.
  - Form internal Forest Service partnerships among State and Private Forestry (S&PF), Research, and National Forest System (NFS) branches.
  - Explore the feasibility of holding a symposium on how rural development programs impact communities.
  - Finally, the EDSGP budget should be increased since it is currently only 5 percent of the total RCA budget, but represents one of the first steps a community takes to initiate change.

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Introduction

What does a community that is faced with economic and social decline do? The idea of "sustained development" sounds promising. Unfortunately, it sounds easier than it is in reality. The community must have a frame through which to view itself before it can take action. An economic diversification study is one way to determine how a community that is highly dependent on one resource can maximize the contributions of all its resources to increase its economic vitality and its quality of life. First, one must look at economic diversification as a tool for increasing community viability in order to survive and compete now and into the next century.

Economic diversification refers to the ability of a community or region to free itself from strong dependence on a single resource such as mining or timber harvesting for its economic livelihood by using other local resources for activities like secondary wood processing, value-added manufacturing, tourism, high-value agriculture, and recreation. This is a conscious move away from the traditional way of supporting a raw commodity production economic base. In the initial stages, this tool may not be supported by a community because people often do not want to change. However, when they understand future options, residents will realize that changes will be necessary if their communities are to survive. The USDA Forest Service advocates this process:

> "Community viability is not built on any single industry not timber, minerals, or recreation and tourism. The key to community stability is a diverse economy, an objective that is in harmony with the Forest Service multiple-use character. We are strongly committed to a balanced program of multiple-use as a means of maintaining economic diversity in communities dependent on national forests." (Elsner, 1991, p. 117)

The idea of economic diversification as a way to increase a community's stability and viability by decreasing its reliance on one industry is supported and advocated by many professionals (Advisory Commission on Intergovernmental Relations, 1990; Elsner, 1991; Seihl, 1991; Oliver, 1992).

Although economic diversification can be advantageous for development, there are also downsides to the process. A community can run into problems when it adopts a current trend, such as tourism, as a tool for development without exploring all the feasible alternatives. This may not be a prudent decision because many times the community has not investigated if it has the capacity to undertake and support such an initiative, or if this alternative is indeed suited to its physical and social infrastructure. Schallau (1989) has expressed concern that introducing resource-based industries, such as high-technology industries and tourism, is a slow process and relies a great deal on the public and private infrastructure. He fears that the current infrastructure in timber-dependent communities may not be ready to accommodate nontimber endeavors. There is also the concern that communities do not realize that they remain vulnerable as long as they rely on any one resource. Finally, it is important to recognize that the people of a community hold certain values that must be considered when discovering its alternatives for economic development. Many times these important values and feelings do not coordinate well with the

economic alternatives that are explored (Zwick, 1991) and eventually chosen. This can cause community dissatisfaction and decrease local support for these initiatives.
Even though there are some problems with diversification as a viable tool for economic development, many of them can be solved if communities will carefully research and plan according to their available assets. The key is to encourage careful study of all the alternatives and possible social, political, and environmental impacts and enhancements to the community. This type of approach truly epitomizes the preliminary steps that are necessary for "rural revitalization." This idea was advocated by the President's Council on Rural America, a multiagency task force that was created in 1989 to formulate a policy to assist the rural sector. The current administration, through the ideals of "reinventing government," has encouraged governing with foresight and anticipating the future through initiatives such as a strategic planning process:

> "Anticipatory governments do two fundamental things: they use an ounce of prevention, rather than a pound of cure; and they do everything to build foresight into their decisionmaking." (Osborne and Gaebler, 1992, p. 222)

Government support of communities willing to embrace change and plan for the future, considering all aspects of society, will enable America's rural areas to strengthen their leadership nationally and subsequently the Nation's global position.

The Role of the USDA Forest Service in Rural Communities

The S&PF branch of the Forest Service administers the RCA Program, which consists of rural development grants that fund local projects and studies of an economic or social nature; Economic Recovery Programs that fund endeavors to address acute problems associated with Federal land management decisions and policies; and an EDSGP. The EDSGP, originated in 1989 through a congressional appropriation as a special project, supports the study of possible alternatives for diversifying the economic bases of timber-dependent communities. Economic diversification studies respond to individual community needs or regions where appropriate. They can take various forms, depending on the community's concerns. In order to qualify for a grant, a community must be economically dependent on a natural resource base that is decreasing due to conditions beyond its control. This natural resource base may be privately or publicly controlled. A community can apply for funds by preparing a proposal to study its economic situation and seek changes that will help to diversify its economic base. Communities are encouraged to coordinate their efforts with local, regional, and/or public agencies and local national forest supervisors (if pertinent). Finally, each community must demonstrate its need by comparing its conditions to the following six measures:

1. The community must show that one or more of these economic conditions exist:
   a. a relatively high unemployment or underemployment rate;
   b. a low per capita income level;
   c. poor or deteriorating infrastructure and/or community services;
   d. a significant decline in small business activity and/or population;
   e. a significant proportion of employed or displaced workers who require job skills training.
2. A percentage of the community's primary and secondary labor force and proprietors' income must be derived from resources or resource-related products.
3. The proposal must be feasible and produce direction that can be explored within 1 to 5 years.
4. The cost of the project should reflect the actual need to accomplish the study goals.
5. The study results should focus on improving local employment opportunities and strengthening the general economic health of the community.
6. Finally, it would be viewed favorably if the community is able to contribute to a cost-sharing commitment. This can be in the form of in-kind services, local, State, and/or some other Federal sources that contribute to the management, quality, and accomplishments of the study.

The Forest Service expects that a funded community will complete a plan, prepare status reports (benchmarks), and write a final assessment of the project.

In the last 4 years, approximately $2 million have been allocated to 48 communities for economic diversification studies. Because it takes time for a grant program of this nature to become established and have a measurable effect on a community, a formal review was delayed until the fourth year of the program.

Evaluation of the EDSGP

In January of 1993, an evaluation of the EDSGP was initiated. It was concluded that an evaluation of the program would "determine its effectiveness." Therefore, this evaluation is guided by the definition of effective: "having the intended or expected outcome; serving the purpose." As mentioned, the purpose of the EDSGP is to help communities explore alternatives to increase the diversity of their local/regional economic bases.

The first phase of this evaluation determined whether the funded communities had fulfilled the first part of the program's purpose. An economic diversification study should enable a community to organize its economic alternatives and to recommend future economic activity.

The second phase of the evaluation, after the study recommendations are implemented, can be fulfilled through a more intimate exploration of the funded communities. The information elicited in the first phase will indicate areas of the grant process that need improvement and topics that may be explored when the program's impact on the community is evaluated. The entire evaluation process should ensure proper revision of the grant program and increase the success rate of future studies. Phase I of the process should also provide valuable information about successful studies that can be shared with the public and will benefit the Forest Service's RCA Program, as well as other State and Federal agencies engaged in rural development programming.

Several preliminary steps were taken to plan the first phase of the evaluation:

1. A study plan was prepared.
2. All possible information about funded community proposals from Forest Service national and regional offices was gathered.
3. Literature pertinent to rural development, resource management, and the role of the Forest Service was reviewed.

It was decided that the evaluation should be both subjective and objective in nature to give a complete view of the administration of the grant program. Two main objectives of the evaluation were:

1. To examine proposals that were funded in fiscal years 1989–1992, and
2. To determine the level of technical and administrative assistance involving the Washington and regional offices in the EDSGP.

First, the contents of each funded proposal were investigated. This provided data about the types of applicants and studies funded, the types of technical support used, and the allocation of funding within the studies. Second, the regional rural development coordinators were surveyed to elicit information on grant administration and study evaluation at the regional level. This survey also requested information about problems the regional coordinators encountered and possible solutions they visualized. Because the survey focused on the grant proposals and the regional coordinators, a balanced view of the program's administration could be presented.

Results

History of the EDSGP

Between 1989 and 1992, the EDSGP awarded 49 grants that totaled $1,983,000 to 48 communities in 20 States. The funding history for the program since 1989 is summarized in table 1.

Table 1.—*Summary of grants by year*

Year	Number of communities	Dollars available	Average grant
1989	12	$500,000	$41,667
1990	10	$469,000	$46,900
1991	14	$471,600	$33,686
1992	13	$543,000	$41,769
1993	23	$542,000	$23,565

Between 1989 and 1992, the program awarded approximately 12 proposals per year, ranging from $16,000 to $65,000 each. In 1993, the number of funded studies increased to 23 and grants ranged between $20,000 to $30,000 per study. A change in the call letter guidelines suggested that proposals not exceed $30,000, which resulted in a marked increase in the number of participating communities. We expect this trend to continue.

Communities in all Forest Service regions have applied for Economic Diversification Study Grants (EDSG's). During the last 2 years, Region 6 received the most funding, probably due to the spotted owl controversy and the resulting changes in forest management policy that reduced timber harvests. Region 1 also was affected and has been well funded. In 1993, Region 5 became the third highest funded region, completing the response to concerns about timber dependency in the Northwestern United States. Table 2 is a summary of grants, awarded by region, between 1989 and 1992.

Table 2.—*Summary of grants by region, 1989–1992*

Region	Number of studies funded	State	Total funding 1989–1992	Number of national forests	NFS acreage
1	9	ID, MT	$454,000	15	24,046,773
2	5	WY, CO	$181,000	17	19,932,628
3	4	NM, AZ	$145,000	12	20,319,958
4	3	UT, ID	$ 87,000	19	31,766,709
5	5	CA	$186,890	18	19,987,828
6	12	WA, OR	$464,950	21	24,484,341
8	4	LA, NC, AR, FL	$175,860	35	12,577,412
NA	4	WI, MI, MN, WV, ME	$155,000	17	11,660,479
10	3	AK	$133,900	2	22,219,636

Content of Funded Proposals

Examination of the proposals revealed that the primary applicants for grants are local communities or community-selected representatives, such as not-for-profit organizations (i.e., RC&D's), State agencies, and universities. Often there is collaboration between these local institutions. For example, the applicants administer the studies, but the studies may be conducted and assisted by several different sources of technical support, such as RC&D's, universities, State agencies, national forests, private consultants, chambers of commerce, cooperative extension services, and farm bureaus.

The studies were designed to provide an objective look at an aspect of community economic conditions. Applicants proposed to examine their local economies so that they might discover ways to diversify their economic bases while using their present natural and human resources. They proposed to explore acquiring new businesses; expanding old businesses; developing tourism, recreation, secondary wood processing, nontimber forest products, education, timber, high-value agriculture, community infrastructure, mining, and ranching; and attracting retirees. Many of the studies proposed to explore several of these areas, while some concentrated on only one. Some studies that were proposed could become the basis of community plans of action to enhance the local quality of life, thereby attracting additional economic interest.

Finally, the allocation of funding within the studies was examined. Unfortunately, it was impossible to determine this precisely because the budget information was presented differently in the individual proposals. However, it was found that, in most cases, funding was used to hire or contract personnel to complete the study elements. This indicates that communities probably need more technical and administrative support in their searches for economic diversification options.

The Regional Rural Development Coordinators Survey

This component of the evaluation was included because it was felt that much of the administration of the grant took place at the regional level. Region and area rural development coordinators were sent a 37-question survey in order to gather information about the administration of the program.

The survey included questions about:

- How was the existence of the grant program communicated to the regional constituency?
- What was the regional history of the grant program?
- How were proposals evaluated before they were recommended to the national office?
- How were the funded studies administered, monitored, and evaluated?
- Was technical assistance available and/or needed at the regional level?
- How were the study results utilized?
- What was the communication level between regional and national offices?

We are pleased to report that 100 percent of the regional rural development coordinators participated in the survey with considerable enthusiasm!

Regional History of the EDSGP

One must know some of the history of this grant program at the regional level in order to understand the level of importance it has been given. Since 1989, there have been approximately 416 proposals submitted to regional offices. Of these, 159 were forwarded to the Washington Office for final consideration and 49 received funding. The data indicate that in earlier years some regions were more familiar with the program, therefore they submitted the most and best proposals. Also, the varying number of proposals submitted to the regional offices over time could be due to different interpretations of the grant program and extenuating circumstances in the individual regions. As the program has matured, all of the regions are becoming more evenly involved in it. This seems to indicate that the regions are learning more about the availability of these types of rural community assistance grants and that the national office is learning about communities that need this type of assistance.

Disseminating Grant Information

Information about the EDSGP was provided to the regional constituency through networks established by rural development coordinators. Several coordinators have created mailing lists to help with this distribution. Others have organized groups of Federal, State, and local persons who are involved and interested in rural development issues. Newsletters have also been used to spread information. For the most part, regional coordinators communicated readily with forest supervisors, RC&D and other not-for-profit organizations, fellow cooperative S&PF staff, and State forestry or rural development specialists. Some of the regions are in close contact with Tribal nations and chapters.

Evaluating Proposals

Most regions have tools or procedures for evaluating which proposals will be forwarded to the Washington Office. Most regions have a panel of individuals with different perspectives, such as those represented by national forests, S&PF, Research, State foresters, State rural development specialists, local development council personnel, representatives from

Indian tribes, and university staff. Typically, the evaluation process emphasized the following, in the order of most to least important:

- Local economic conditions
- The level of economic dependence on a resource
- The impact of local national forest(s)
- The amount of financial assistance requested
- Regional priorities
- The applicant's ability to produce a quality project
- Applicant's prior knowledge of onsite conditions

In addition, many regions (as presented in appropriation language) emphasize resource-based studies. This is very similar to the national evaluation process. Once regions have received notification of which proposals are funded, they are responsible for empowering communities to carry out the objectives that were stated in the study proposals. This process includes monitoring study finances and evaluating the program periodically.

Evaluating and Monitoring Funded Studies

Funding at the regional level is typically conducted through a local agency, cooperative agreement, or Form 424, "Application for Federal Assistance." Some regions give a lump sum to communities; others use an installment plan or funding through the State or local not-for-profit organization. Study finances may be monitored by the region, the local national forest, or the sponsoring agency (applicant), quarterly or semiannually, over the duration of the project.

Almost every region has a standard procedure for evaluating funded studies that has been established by their finance departments and in accordance with Office of Management and Budget directives. Successful applicants most often generate quarterly or semiannual status reports that they give to regional coordinators. The typical status report contains study objectives, information on financial status, current results, and future plans. Status reports are sometimes used to modify ongoing studies, but usually they are submitted to provide current study information.

Implementing Study Results

The objective of the EDSGP is to encourage communities to explore options for diversifying their economic (employment) bases. It is hoped that by implementing study recommendations, communities will have an increased chance to diversify their economic base, retain current jobs, create new jobs, and promote overall economic growth. In the survey, coordinators mentioned that certain community elements act as barriers to the implementation of study findings. These barriers are:

- Finances
- Technical assistance
- Politics
- Public support
- Leadership
- Local government

Regional coordinators attempt to stay in contact with communities after studies are concluded, but their efforts are often hampered by poor community leadership and lack of Forest Service staff and financial resources. In addition, politics at the local, State, and

agency level are also felt to be a barrier. Finding the money to fund the second stage of a community initiative is the greatest barrier to implementing study results.

Implementation typically occurs 1 to 2 years after completion of the initial study. It generally consists of projects to create economic growth, marketing plans, more studies, infrastructure changes, or workbooks to aid economic development. Regional coordinators reported that anywhere from 0 to 100 percent of the studies in their regions had attained the applicants' objectives. Some felt that most of their studies had been successful, while others felt just the opposite. The responses were distributed very evenly throughout the country. This implies that different regions and communities have differing abilities to support the implementation of study findings. This may be based on their increasing awareness of funding sources, community leadership, support and time devoted by regional staff, and the severity of the situation at the resource level. For example, the situation in the Pacific Northwest is severe; many communities are stressed economically and socially. Unfortunately, funding is scarce, as is technical support from the region. This is partly because many of the communities are isolated, the size of the region, and the available staff support and associated local support. These conditions make it difficult for communities to implement study results within existing programs and funding levels, and even more difficult to continue projects for a second year.

Communicating With the National Office

Communication between the regions and the national office occurs from monthly to semiannually. In most cases, coordinators felt that there was sufficient contact with the national office. However, it was suggested that additional information on how to organize and assist rural development initiatives at the community level would help communities to help themselves. More technical and staff support for more effective assistance of rural development initiatives at the community level was also requested.

Technical Information and Support

The coordinators were asked about the level of technical information available within their region. Most regions have sources of socioeconomic information from universities, State agencies, RC&D, or other not-for-profit organizations. Coordinators said that they need help using and interpreting socioeconomic information.

Responses from the coordinators were surprisingly frank. Some coordinators did not hesitate to criticize themselves for not keeping in touch with communities after the studies were completed, for not being able to assist with implementing study recommendations, or for not monitoring financial and program status consistently. As mentioned earlier, the time and money limitations probably contribute to many of these shortcomings.

Successful Studies

The term "successful" can be defined in many ways. Ideally, a successful study would be one that leads to greater options for economic diversity in a community, followed by an increase and retention in the number of "family wage" jobs, which would lead to an enhanced quality of life in the community. The investigators recognized that the ideal is seldom achieved in a program that is only 4 years old. For the purpose of this evaluation, a "successful study" was defined as one in which the community had at least submitted a status report and/or a final report that indicated that there was progress toward completion of the objectives. Using this (very liberal) definition of success, we found that 47 percent of the funded proposals were "successful." As expected, the success rate was lower for studies that were funded more recently. For example, the studies funded in 1991 and 1992 could still be in process. Table 3 summarizes, by year, the number of "successful" studies.

Table 3.—*Successful studies in the EDSGP**

Year	Number of studies funded	Number of successful studies	Successful studies (percent)
1989	12	9	75
1990	10	7	70
1991	14	6	43
1992	13	1	8

*Successful is defined as having a status or final report on file.

Using the initial definition driving the early stages of the program, 23 of the 49 funded studies are "successful." This means that 53 percent of the communities may not have reported their status or submitted final reports to the regions, or that the regions are not providing status and/or final reports to the national office. The data also indicate a need for closer monitoring and for Forest Service followup at all levels to ensure that there is progress toward completion of the studies. Hopefully, better communication and closer monitoring would improve the chances of implementing study results. We did not contact individual communities to check the study's progress or the community's satisfaction with the study's impact on it.

Regional coordinators were also asked how *they* would define "success." For the most part, they defined "success" as previously stated, although most felt that an impact on the community was necessary. Phrases they used to describe "success" included:

- "Implementation into jobs."
- "Initiating projects that stimulate economic growth."
- "Results are useable by the community."
- "Results in expanding the community's economy."

Based on these expressions, we believe the expectations of regional rural development coordinators were higher than the clerical definition advanced by the investigators.

Recommendations

There are several types of recommendations for the EDSGP. Administrative recommendations deal with clerical changes in the format of grant materials, setting more structured expectations of funded communities, and ensuring that continued evaluation and followup will be easier. The second type of recommendations come from the regional rural development coordinators' survey. and the third type addresses the future of an overall RCA monitoring and evaluation program that will integrate program and research.

Administrative Recommendations

Based on our examination of proposals, status reports, and final reports, we make the following recommendations for subsequent years:

1. Each proposal should define how and when the applicant/community will evaluate and monitor its progress (a community-devised timeline).
2. Proposal budgets should be presented by the funding allocation for each stated objective, as well as the funding allocation for each line item.
3. Applicant proposals should have a cover page containing basic information, such as the title, community objective, matching grant ratio, applicant, sponsors, and technical support.

Status reports from funded recipients should be short (one to two pages) and should include:

- How much progress has been made toward completing study objectives, including any modifications
- Accomplishments (news clippings, etc.)
- Timeframe for completion and amount of funding expended
- Plans to implement any options selected for diversification

Final reports should include:

- An executive summary that addresses:
  - proposal objectives and/or modifications,
  - a brief summary of results (one or two paragraphs, maximum),
  - future goals (long- and short-term),
  - future inclusion of this information to guide implementation of actions, and
  - identification of funding for technical assistance sought from local, State, and Federal sources.
- The report itself should describe in more detail the five items addressed in the executive summary. This part of the report should be as long as necessary to make it complete and useful to the community.
- A list of contributors and sources of information and assistance with phone and FAX numbers as well as addresses. This information could be helpful in creating a regional "idea bank" for future studies.
- A list of potential sources for funding, including the Forest Service, for the implementation of economic diversification study results.

Regional Recommendations

The regional rural development coordinators were asked how grants might be administered more efficiently. These common themes emerged:

1. It would be helpful to have guidelines of "how to's" (instructions on how to administer the grant deadlines, what is expected of applicants, and how to monitor grants in progress).
2. Standardized budget forms would be helpful.
3. Sharing experiences that are successful and not so successful might develop into an "idea book" that could be maintained and shared on the DG.
4. Several people recommended that the Washington Office should delegate the responsibility for selection of the applicants to be awarded grants to the regional office. This would enable the office most knowledgeable of regional needs to award funding.
5. Most of the regional coordinators would appreciate a quicker turnaround time between proposal submission and notification of funding. They would also like to know when congressionally appropriated funding for the entire national special program comes through each year. This would give them more time in which to develop quality proposals.
6. Some coordinators felt that people from the Washington Office ought to visit field locations to see on-the-ground projects and to answer questions.

Recommendations for the Future

Hopefully, a program evaluation results in changes for the good of the program and for those involved in it. There are five recommendations that could increase the effectiveness of the EDSGP in the future. First, since the EDSGP is the oldest of the three RCA programs, a closer look at its impact at the community level is needed. This can be done through a more intimate examination of funded communities after their studies are completed. This second phase of the EDSGP evaluation would compare, in an objective manner, data for specific social and economic indicators (Salant, 1990; Reeder, 1990; Sears et al., 1992) before a study is initiated and after it is implemented. Indicator variables that could be compared include:

- Net migration
- Population/age distribution
- Education level
- Changes in school enrollment
- The structure of the labor force (employment, unemployment, economic production units (businesses and employee distribution))
- Income per capita
- Poverty rate
- Resource dependency
- Local community income
- Literacy rate
- The relative importance of various sectors of the local economy over time (What has been driving their economy?)
- Indicators of social change
  - Ecological: community size and structure (Hawley, 1986), population change, dependency, sex ratios, number of social institutions (churches and retail businesses).
  - Cultural elements: number of social groups, marriages, and festivals (show cohesion); number of suicides, arrests, and divorces (indicators of normalness) (Machlis and Force, 1990).

- Indicators of quality of life
  - Use of subjective measures (primary data): Asking or training residents to do their own research and ask themselves in turn about their perception of the importance, adequacy, and/or satisfaction with various attributes of community life (Allen, 1990). These attributes may include health, education, public safety, recreation services, open space, climate, and topography (Allen, 1990; Flanagan, 1978; Ladewig and McCann, 1980). They also should focus on the level of social networking, bonding, and residential control.
  - Physical-ecological indicators (secondary data): unemployment rate; size, density, and educational level of the population; crime rate; number of medical professionals, amount of park land; and community layout and design (Bardo and Bardo, 1983). These variables are commonly used as objective indicators, but they do not address individual preferences or reactions based on factors such as values, beliefs, and group affiliations. (Allen, 1990; Bardo and Bardo, 1983; Ladewig and McCann, 1980; Rojek, Clemente, and Summers, 1975).

In order to explore socioeconomic variables of the funded communities, it is important to compare the national and local baseline information before and after the study is completed. Not only does this help to identify any growth or decline at the local level, but it also reflects the influence of national economic trends. Contact with the funded communities allows investigators (study team) an opportunity to collect more detailed information about successes and failures and alerts the Forest Service to any unique characteristics or situations that may be the result of the study or the implementation of its results (Flora et al., 1992). This process will allow revisions of the EDSGP and increases the potential success rate of future studies. It will also provide valuable insights into communities with successful studies that can be shared with the public, thus benefiting all of the RCA programs in the Forest Service and the USDA.

Secondly, we recommend creation of a RCA evaluation and monitoring program to help create and encourage monitoring and evaluation at the national, regional and, most importantly, the community level. A recommendation in a 1983 report completed by the University of Minnesota emphasized the need for this type of program:

> "The forestry community needs to have a monitoring system for research that includes evaluation and technology assessment. While ad hoc studies such as the present one add insights and background information for decision-makers, they are no substitute for an ongoing, continuous monitoring and evaluation effort which provides a continuous flow of data and a constant learning experience for scientists, administrators, and legislators." (Gregersen and Haygreen, 1983, p. 91)

That study also emphasized the need for a broad-based program that would consider research and technology transfer in a systems context by looking at each component. This type of continuous review will help S&PF to change the structure and emphasis of its RCA programs by remaining flexible to changing global, national, and local trends.

An evaluation and monitoring program should survey communities that have completed their studies. The purpose of the followup is to elicit communities' opinions on the impact of the study and the implementation of its results. Qualitative variables such as quality of life, community satisfaction, new leadership initiatives, and unique characteristics (Gale, 1990; Flora et al., 1992) can be counted as positive or negative impacts of the grants.

Also, opinions about obstacles faced during the study and the implementation of its results can be ascertained; these may range from the availability of capital to the lack of technical assistance and community leadership (Gale, 1990). Finally, it can be determined if the community has developed any long-term goals as a result of implementing the study's results. S&PF could determine the socioeconomic costs and benefits from publicly supported economic diversification studies by evaluating the communities' economies.

Thirdly, we encourage internal Forest Service partnerships among and between the S&PF, Research, and NFS branches. The Forest Service Research branch has scientists who are currently studying various aspects of rural development. Don English (SE 4901) is interested in the costs and benefits and socioeconomic impacts of tourism on rural communities. Fred Cubbage (SE 4851) is studying how rural development programs can improve rural economies most effectively. Erv Schuster (INT 4802) is involved in making FORPLAN a more useful planning tool for rural development. Kent Connaughton (PNW) is dealing with economic and social issues as they relate to rural development. Finally, Roger Clark (PNW) is interested in issues related to understanding rural communities' values and has tried to develop more effective methods of public participation. Research has much to offer to rural development initiatives such as this one.

The NFS has many individuals, particularly at the forest level, who are already conducting and coordinating local rural development projects and playing a salient role in the implementation of the RCA program; they can provide a wealth of on-the-ground information that should be utilized. This program is also an opportunity to utilize external partnerships with State forestry organizations and other State agencies, State rural development councils (SRDC's), and university and research organizations that concentrate on many aspects of rural development, ecosystem management, and related fields. Many external studies have been conducting much of the research needed for support of and use by this program. For example, Gary Machlis and Jo Ellen Force of the University of Idaho, Cornelia and Jan Flora of Virginia Polytechnic Institute, William Freudenburg of the University of Wisconsin, Steve Selin of the University of West Virginia, Fred Schmidt of the University of Vermont, and Gary Green of the University of Georgia are only a few of the individuals conducting rural-development-related research.

A fourth recommendation for the future is to explore the value of holding a symposium or colloquium on the impact that rural development programs have on communities. This ought to precede any effort to establish an RCA evaluation and monitoring program and should be integrated with any USDA efforts. It is important to understand and utilize the research that has been conducted in this field in order to create the most feasible and meaningful evaluation system for the RCA programs.

Finally, the EDSGP budget should be increased. Communities need sound ideas and strong frameworks for development to occur in their towns, counties, or regions. The EDSGP supports communities that initially need a "planning period" before they are able to fully utilize rural development, economic recovery, or other external grants to conduct community projects, plans, and studies. The EDSGP will help communities prepare successful studies and subsequent projects, but it is currently only 5 percent of the total RCA budget. Planning is one of the keys to improved quality of life, social and economic development, and environmental protection. Therefore, increased funding for this program would provide greater opportunities for communities to move toward sustained development.

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